

THE EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION CONTAINED IN THIS FILING STATEMENT, WHICH IS A REPRODUCTION OF THE ORIGINAL FILED WITH THE EXCHANGE BY THE COMPANY AND IS ISSUED FOR INFORMATION PURPOSES ONLY. THIS FILING STATEMENT IS NOT TO BE REPRODUCED IN WHOLE OR IN PART WITHOUT THE WRITTEN APPROVAL OF THE TORONTO STOCK EXCHANGE.

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1449.
FILED, MAY 12th. 1966.

PERMO GAS & OIL LIMITED
Full corporate name of Company

Letters Patent dated August 9, 1956 issued by the Province of Ontario
Particulars of incorporation (e.g., incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	1. <u>Change in effective control</u> Effective March 30, 1966 and pursuant to a private transaction, Mill City Petroleum Limited in consideration of a cash payment in the sum of \$2,255,776.78 (\$0.37 per share) acquired 6,096,694 shares of the capital stock of the company out of a total of 13,127,276 common shares without par value issued and outstanding. Such acquisition gives Mill City Petroleum Limited effective control of Permo Gas & Oil Limited to the extent of 46.4429%. 2. <u>Change in Board of Directors</u> At a meeting of the Board of Directors of the company held the 30th day of March, 1966 resignations were received and accepted from all former Directors and the Directors listed in item 3 of this filing statement, all of whom are Directors or are associated with Mill City Petroleum Limited, were duly elected. As at the date hereof there are two vacancies on the Board.
2. Head office address and any other office address.	Head Office: 330 University Ave., Toronto 1, Ontario (Statutory) Executive office: 210 - 736 - 8th Avenue S.W., Calgary, Alberta
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<u>Directors</u> Robert Clive Brown - 24 Massey Place, Calgary, Alberta, Petroleum Engineer Archibald Park Newall, Jr. - 7607 - 7th Street S.W., Calgary, Alberta, Executive Frank Brown - 16 Massey Place, Calgary, Alberta, Executive Roger D. Paugh - 24 Cardiff Place, Calgary, Alberta, Accountant Kathleen Lambert - R. R. #2, Calgary, Alberta, Secretary <u>Officers</u> President - R. C. Brown Vice-President - A. P. Newall, Jr. Secretary-Treasurer - E. F. Lowick - 203 Roxboro Road Calgary, Alberta Executive
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized - 20,000,000 common shares without par value Issued - 13,127,276 shares
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	None
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	None
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Pursuant to the terms of an agreement dated March 1, 1964 the company assigned and transferred to Commonwealth Drilling Company Limited all its right, title and interest in and to its producing properties in the Fort St. John area of British Columbia, together with all wells and equipment located within the assigned area in consideration of a cash payment in the sum of \$989,700 and the right to receive 90% of net income from such properties after Commonwealth shall have recovered the sum of \$1,094,500 out of net income from such properties. It is estimated that the said sum of \$1,094,500 will have been recovered by Commonwealth on or about the end of the year 1969. In the interim period this company has no specific future development plans other than those carried out in the name of its subsidiary companies - New Continental Oil Company of Canada Limited and Consolidated East Crest Oil Company Limited (see current filing statements filed by said subsidiaries). Notwithstanding the foregoing, the company and its principal partners in the Fort St. John area, Pacific Petroleum Limited and Westcoast Production Co. Ltd., have negotiated several farm-out agreements involving undeveloped acreage in this area calling for the drilling of test wells, none of which have been successful. A further farmout agreement dated September 3, 1965 has been entered into with Apache Oil Corporation ("Apache") whereby Apache has agreed and is committed to drill a test well in the Fort St. John area on or before August 15, 1966 to earn a 50% undivided working interest in six (6) sections. Apache also has the option to drill a further test well to earn a 50% undivided working interest in an additional seven (7) sections. The lands involved are in Townships 83 and 84, Ranges 19 and 20, West 6th Meridian.
10. Brief statement of company's chief development work during past year.	The company participated to the extent of a 5% interest in the drilling of two test wells in the South Nipisi area of Alberta on a possible southern extension of the Nipisi field. Such wells were non-productive and have been abandoned. (see current filing statements filed by subsidiary companies - New Continental Oil Company of Canada Limited and Consolidated East Crest Oil Company Limited).

FINANCIAL STATEMENTS

PERMO GAS & OIL LIMITED

AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

FEBRUARY 28, 1966

ASSETS

CURRENT:

Cash		\$ 149,032
Short term deposits		1,225,000
Accounts receivable		308,967
Prepaid expenses		<u>1,377</u>
		1,684,376

OPERATING AND PERFORMANCE DEPOSITS

61,151

INVESTMENTS AND ADVANCES:

Shares of and advances (\$100,144) to subsidiaries at cost less amounts written off	\$ 100,150	
Marketable securities at cost (quoted market value \$18,877)	<u>3,610</u>	103,760

PROPERTY, PLANT AND EQUIPMENT - AT COST:

Producing properties including well development expenditures	3,011,190	
Non-producing properties	559,455	
Shut-in oil and gas wells	195,807	
Production and other equipment	<u>460,419</u>	
	4,226,871	
Less accumulated depreciation and depletion	<u>911,470</u>	<u>3,315,401</u>
		<u>\$5,164,688</u>

LIABILITIES

CURRENT:

Accounts payable	\$ 179,614
------------------	------------

MINORITY INTEREST IN SUBSIDIARIES

1,641,066

SHAREHOLDERS' EQUITY:

Capital -		
Authorized - 20,000,000 common shares without par value		
Issued - 13,127,276 shares	\$10,635,522	
Deficit	<u>7,291,514</u>	<u>3,344,008</u>
		<u>\$5,164,688</u>

Note to Financial Statements

Consolidated Balance Sheet, Consolidated Statement of Income and Deficit and Consolidated Statement of Source and Application of Funds of Permo Gas & Oil Limited at February 28, 1966, includes the accounts of subsidiary companies - New Continental Oil Company of Canada Limited and Consolidated East Crest Oil Company Limited.

Approved on behalf of the Board

R. C. Brown
Director

Reginald A. Pough
Director

PERMO GAS & OIL LIMITED

CONSOLIDATED STATEMENT OF INCOME AND DEFICIT

FOR THE SIX (6) MONTHS ENDED FEBRUARY 28, 1966

REVENUE:

Crude oil and natural gas sales less royalties	\$ 205,867
Less production expenses	<u>53,578</u>
	152,289
Royalty income	86,669
Interest income	<u>15,565</u>
	254,523

EXPENSE:

Administrative and general	83,357	
Rentals on petroleum and natural gas leases	(21,078)	
Dry hole drilling costs	45,392	
Geological and geophysical	23,766	
Miscellaneous	<u>4,090</u>	<u>135,527</u>
Cash earnings from operations		118,996
Add profit on sale of securities		<u>2,300</u>
		121,296
Deduct:		
Depreciation and depletion	113,641	
Petroleum and natural gas interests abandoned	<u>2,463</u>	<u>116,104</u>
Profit for the period before minority interests		5,192
Less profit applicable to minority interests		<u>13,490</u>
Net loss for the period		8,298
Deficit, September 1, 1965		<u>7,213,138</u>
		7,221,436
Add loss on sale of properties		<u>70,078</u>
Deficit, February 28, 1966		<u><u>\$7,291,514</u></u>

PERMO GAS & OIL LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE SIX (6) MONTHS ENDED FEBRUARY 28, 1966

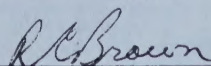
SOURCE OF FUNDS:

Cash earnings from operations	\$ 118,996
Proceeds from sale of interest in Athabasca Oil Sands	400,000
Decrease in deposits	24,851
Proceeds from sale of securities	11,755
Proceeds from sale of automotive equipment	<u>1,950</u>
	<u>557,552</u>

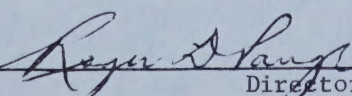
APPLICATION OF FUNDS:

Well development costs	60,444
Property acquisition costs	21,770
Production and other equipment	29,625
Investment in shares of and advances to subsidiary companies	<u>14,226</u>
	<u>126,065</u>
Increase in working capital	431,487
Working capital at August 31, 1965	<u>1,073,275</u>
Working capital at February 28, 1966	<u><u>\$1,504,762</u></u>

Approved on behalf of the Board



Director



Director

11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	None																																										
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	None																																										
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None																																										
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	None																																										
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	1. Mill City Petroleum Limited 2nd floor, 736 - 8th Ave. S.W., Calgary, Alberta 6,096,694 2. Gore Company c/o Canadian Imperial Bank of Commerce Box 6003, Montreal 3, Quebec 340,000 3. James Richardson & Sons 173 Portage Ave. E., Winnipeg, Man. 244,350 4. Roycan & Co., # 1 A/C P.O. Box 5007, c/o Royal Bank of Canada Montreal, Quebec 218,330 5. Doherty, Roadhouse & McCuaig Bros. 335 Bay Street, Toronto, Ontario 180,280 Beneficial owners unknown for items #2 to #5 inc. No pooling or escrow.																																										
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Mill City Petroleum Limited, 210 - 736 - 8th Avenue S.W., Calgary, Alberta holds 6,096,694 shares of the capital stock of the company, equal to 46.4429% control.																																										
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	Investments of and advances to wholly-owned subsidiary companies (a) Marketable securities <table><thead><tr><th></th><th>Book</th><th>Market</th></tr></thead><tbody><tr><td>100,000 shares - Israel Continental Oil Company Limited</td><td>\$ 1.00</td><td>\$ 7,000.00</td></tr><tr><td>37 shares - Canadian Petrofina Limited</td><td>1,998.78</td><td>471.75</td></tr><tr><td>320 shares - Class A - Alberta Gas Trunk Line</td><td>1,600.00</td><td>11,040.00</td></tr><tr><td>2 shares - Class B - Alberta Gas Trunk Line</td><td>10.00</td><td>10.00</td></tr><tr><td></td><td><u>\$3,609.78</u></td><td><u>\$18,521.75</u></td></tr></tbody></table> (b) Advances Texas-Alberta Oil Corporation Shares of: Texas-Alberta Oil Corporation <table><tbody><tr><td>100 shares - nominal value</td><td>1</td></tr><tr><td>Albertex Oils Limited</td><td></td></tr><tr><td>3 shares - nominal value</td><td>1</td></tr><tr><td>Major Distributors Limited</td><td></td></tr><tr><td>105 shares - nominal value</td><td>1</td></tr><tr><td>Western Gas Utilities Limited</td><td></td></tr><tr><td>105 shares - nominal value</td><td>1</td></tr><tr><td>Continental Oil Company of Canada Limited (Newfoundland)</td><td></td></tr><tr><td>265 shares - nominal value</td><td>1</td></tr><tr><td>Continental Oil Company of Canada Limited (New Brunswick)</td><td></td></tr><tr><td>286 shares - nominal value</td><td>1</td></tr><tr><td></td><td><u>\$100,150</u></td></tr></tbody></table> With the exception of Texas-Alberta Oil Corporation the wholly-owned subsidiary companies above mentioned are and have been inactive and it is planned to surrender or otherwise dispose of the charters.		Book	Market	100,000 shares - Israel Continental Oil Company Limited	\$ 1.00	\$ 7,000.00	37 shares - Canadian Petrofina Limited	1,998.78	471.75	320 shares - Class A - Alberta Gas Trunk Line	1,600.00	11,040.00	2 shares - Class B - Alberta Gas Trunk Line	10.00	10.00		<u>\$3,609.78</u>	<u>\$18,521.75</u>	100 shares - nominal value	1	Albertex Oils Limited		3 shares - nominal value	1	Major Distributors Limited		105 shares - nominal value	1	Western Gas Utilities Limited		105 shares - nominal value	1	Continental Oil Company of Canada Limited (Newfoundland)		265 shares - nominal value	1	Continental Oil Company of Canada Limited (New Brunswick)		286 shares - nominal value	1		<u>\$100,150</u>
	Book	Market																																									
100,000 shares - Israel Continental Oil Company Limited	\$ 1.00	\$ 7,000.00																																									
37 shares - Canadian Petrofina Limited	1,998.78	471.75																																									
320 shares - Class A - Alberta Gas Trunk Line	1,600.00	11,040.00																																									
2 shares - Class B - Alberta Gas Trunk Line	10.00	10.00																																									
	<u>\$3,609.78</u>	<u>\$18,521.75</u>																																									
100 shares - nominal value	1																																										
Albertex Oils Limited																																											
3 shares - nominal value	1																																										
Major Distributors Limited																																											
105 shares - nominal value	1																																										
Western Gas Utilities Limited																																											
105 shares - nominal value	1																																										
Continental Oil Company of Canada Limited (Newfoundland)																																											
265 shares - nominal value	1																																										
Continental Oil Company of Canada Limited (New Brunswick)																																											
286 shares - nominal value	1																																										
	<u>\$100,150</u>																																										
18. Brief statement of any lawsuits pending or in process against company or its properties.	None																																										
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	The business and affairs of Consolidated East Crest Oil Company Limited are managed by Permo Gas & Oil Limited pursuant to a Management Contract dated April 9, 1964.																																										
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	None. No shares in the course of primary distribution to the public.																																										

CERTIFICATE OF THE COMPANY

DATED April 26, 1966

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

PERMO GAS & OIL LIMITED
R. C. Brown *R. C. Brown* CORPORATE SEAL
A. P. Newall, Jr. *A. P. Newall, Jr.*

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)